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## Thailand

### Rice Price - Weekly

#### Weekly Rice Price Update

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**Report Highlights:**

TH 1097 Domestic and export prices increased 2-4 percent due to panicky domestic consumers and the strengthening of the Thai Baht to 29.65 baht/\$, despite lack of foreign enquiries. Consumer panic ensued after packers signaled a possible rice shortage if the government does not allow retail prices to increase.

**Post:**  
Bangkok

**Author Defined:**  
**Market Tones**

**Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending July 25, 2011**

| Quality    | Exporter Observations |    |    |    |       |       |     | Period Average |       |
|------------|-----------------------|----|----|----|-------|-------|-----|----------------|-------|
|            | #1                    | #2 | #3 | #4 | #5    | #6    | #7  | CUR.           | PRV.  |
| F WR 100 B | 1,045                 | -  | -  | -  | 1,050 | 1,045 | -   | 1,047          | 1,050 |
| WR 100 B   | 550                   | -  | -  | -  | 550   | 550   | 550 | 550            | 540   |
| PB 100%    | 550                   | -  | -  | -  | 530   | 545   | 590 | 554            | 536   |
| PB 5%      | 545                   | -  | -  | -  | 525   | 540   | 585 | 549            | 531   |
| WR 5%      | 540                   | -  | -  | -  | 530   | 535   | 540 | 536            | 519   |
| WR 10%     | 530                   | -  | -  | -  | 525   | 530   | -   | 528            | 508   |
| WR 15%     | 520                   | -  | -  | -  | 520   | 525   | -   | 522            | 503   |
| WR 25%     | 500                   | -  | -  | -  | 510   | 505   | -   | 505            | 493   |
| WR 35%     | -                     | -  | -  | -  | -     | -     | -   | -              | -     |
| A1 SUP     | 445                   | -  | -  | -  | 450   | 455   | -   | 450            | 447   |
| A1 SPEC    | -                     | -  | -  | -  | -     | -     | -   | -              | -     |

Exchange rate: 29.65 baht/U.S.\$

Source: Average actual prices received from exporters

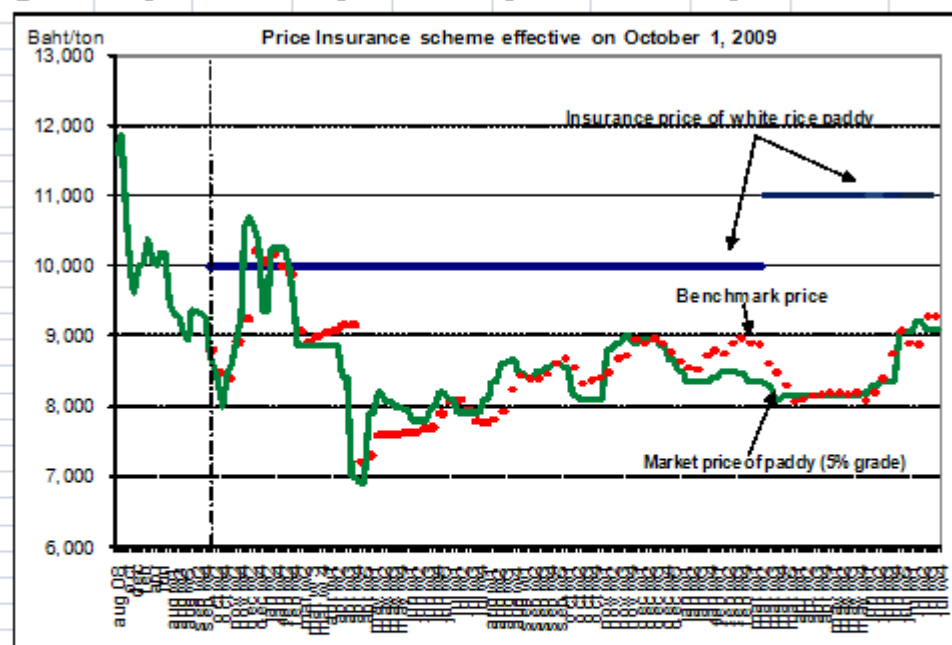
Despite a lack of foreign enquiries, domestic and export prices increased 2-4 percent due to a panicky domestic consumers and the strengthening of the Thai Baht to 29.65 baht/\$, compared to 30.0 baht/\$ in the previous week. Consumer panic ensued after packers signaled a possible rice shortage if the Department of Internal Trade of the Ministry of Commerce does not allow retail price increases. The packers current production cost increased significantly as wholesale prices of rice have increased 35-45 percent from the previous month due to speculative activities in response to the political campaign promises of the winning party to change the domestic support policy program from the Price Insurance Scheme to the Paddy Mortgage Scheme. The proposed changes in paddy would affect the MY2011/12 main crop at intervention prices of 15,000 baht/ton (\$500/MT) for white rice paddy, and 20,000 baht/ton (\$667/MT) for fragrant rice paddy, which are 63.0 percent and 33.0 percent higher than current market prices. Presently, the government still has old-crop intervention stock of approximately 1.0 million tons, most of which are white rice, after its gradual stock release of 4-5 million tons for export since

August last year.

The government's weekly benchmark price for white rice for July 25-31, 2011 increased 0.2 percent. As such farmers will receive lower compensation compared to the previous week. Farmers that sell their supplies this week will not attain insurance price, as compensation will fall short due to higher benchmark price over market prices.

| <b>Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop</b>                                                                                                                                                                                                                                                                                                                                                                                                        |        |                                     |                                     |                                 |                   |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-------------------------------------|-------------------------------------|---------------------------------|-------------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |        | <b>Rice paddy</b>                   |                                     |                                 |                   |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |        | <b>Fragrant rice<br/>(Hom Mali)</b> | <b>Provincial<br/>fragrant rice</b> | <b>Pathum<br/>fragrant rice</b> | <b>White rice</b> |
| <b>1. Eligible tonnage (ton/household)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                            |        | 14                                  | 16                                  | 90 <sup>a</sup>                 | 90 <sup>a</sup>   |
| <b>2. Insured prices (Baht/ton)</b> <sup>a</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                      |        | 15,900                              | 14,900                              | 11,500                          | 10,000            |
| <b>3. Benchmark prices (Baht/ton)</b> <sup>a,d</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                  |        |                                     |                                     |                                 |                   |
| Jan 27 - Jul 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | -      | 12,746                              | 10,548                              | 14,176                          | 9,071             |
| Jul 4-10                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | -      | 12,814                              | 10,989                              | 14,292                          | 8,901             |
| Jul 11-17                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | -      | 12,791                              | 10,296                              | 14,776                          | 8,879             |
| Jul 18-24                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | -      | 12,791                              | 10,639                              | 14,921                          | 9,267             |
| Jul 25-31                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | -      | -                                   | 10,753                              | 15,048                          | 9,285             |
| <b>4. Compensation (1-2), (Baht/ton)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                              |        |                                     |                                     |                                 |                   |
| Jan 27 - Jul 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | -      | 1,554                               | 952                                 | -                               | 1,929             |
| Jul 4-10                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | -      | 1,486                               | 1,111                               | -                               | 2,099             |
| Jul 11-17                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | -      | 1,509                               | 1,204                               | -                               | 2,121             |
| Jul 18-24                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | -      | 1,509                               | 867                                 | -                               | 1,733             |
| Jul 25-31                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | -      | -                                   | 747                                 | -                               | 1,715             |
| <b>5. Market prices (Baht/ton)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                    |        |                                     |                                     |                                 |                   |
| Jan 27 - Jul 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 19,000 | 12,750                              | 10,750                              | 16,750                          | 9,050             |
| Jul 4-10                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 19,900 | 12,750                              | 10,750                              | 16,750                          | 9,050             |
| Jul 11-17                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 15,050 | 12,750                              | 11,250                              | 16,750                          | 9,200             |
| Jul 18-24                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 15,050 | 19,000                              | 11,750                              | 16,750                          | 9,100             |
| Jul 25-31 <sup>e</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 14,450 | 19,000                              | 11,750                              | 17,250                          | 9,100             |
| <b>Note:</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |        |                                     |                                     |                                 |                   |
| <sup>a</sup> Cabinet approval on March 8, 2010 to raise eligible tonnage to 30 tons/household for MY2010/11 off-season crop                                                                                                                                                                                                                                                                                                                                                           |        |                                     |                                     |                                 |                   |
| <sup>b</sup> Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.                                                                                                                             |        |                                     |                                     |                                 |                   |
| <sup>c</sup> Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.                                                                                                                                                                                                                                                                                                                                                            |        |                                     |                                     |                                 |                   |
| <sup>d</sup> The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 baht/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010. In addition, the insured prices of MY2010/11 season-crop Pathum Fragrant rice were revised up again to 11,500 baht/ton, effective Mar. 16, 2011. Also, those of white rice were raised from 10,000 baht/ton to 11,000 baht/ton, and glutinous rice from 9,500 baht/ton to 10,000 baht/ton. |        |                                     |                                     |                                 |                   |
| <sup>e</sup> The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 main crop.                                                                                                                                                                                                                                                                                                                                                                          |        |                                     |                                     |                                 |                   |
| <sup>f</sup> As of Jul 14, 2011                                                                                                                                                                                                                                                                                                                                                                                                                                                       |        |                                     |                                     |                                 |                   |

**Figure 1: Comparison of market price, insurance price, and benchmark price**



**Note:** 1/ Benchmark prices are average historical wholesales prices which will be used for the calculation of compensation to farmers. The compensation is based on the difference between insurance prices and benchmark prices.

\* Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

\* Starting Apr. 26, 2010 the benchmark prices will be based on average wholesale price of last week in Bangkok.

## Rice Export Update

Unofficial rice exports (excluding fragrant rice) July 18-24, 2011 totaled 176,480 tons, up 11,425 tons from the previous week, and down 3,544 tons from the four week moving average of 180,024 tons. Exports of white rice and parboiled rice during January 1 – July 24, 2011 totaled 5,779,130 tons, up 74.9 percent from 3,305,130 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – July 21, 2011 amounted to 7,037,977 tons, up 57.6 percent from 4,465,960 tons in the previous year.

| Table 3: Weekly rice exports (excluding fragrant rice) |          |          |                 |          |                                        |
|--------------------------------------------------------|----------|----------|-----------------|----------|----------------------------------------|
| WEEK<br>ENDING                                         | QUANTITY | 4-WK AVG | YEAR TO<br>DATE | YEAR AGO | YEAR TO<br>DATE AS%<br>OF LAST<br>YEAR |
|                                                        | (MT)     | (MT)     | (TMT)           | (TMT)    | (%)                                    |
| May 15                                                 | 194,850  | 214,700  | 3,719           | 2,217    | 67.8                                   |
| May 22                                                 | 182,380  | 203,741  | 3,901           | 2,324    | 67.9                                   |
| May 29                                                 | 238,188  | 209,730  | 4,139           | 2,433    | 70.1                                   |
| Jun 5                                                  | 242,665  | 214,521  | 4,382           | 2,567    | 70.7                                   |
| Jun 12                                                 | 235,908  | 224,785  | 4,618           | 2,649    | 74.3                                   |
| Jun 19                                                 | 206,226  | 230,747  | 4,824           | 2,754    | 75.2                                   |
| Jun 26                                                 | 234,849  | 229,912  | 5,059           | 2,854    | 77.3                                   |
| Jul 3                                                  | 185,298  | 215,570  | 5,244           | 2,941    | 78.3                                   |
| Jul 10                                                 | 193,263  | 204,909  | 5,438           | 3,044    | 78.6                                   |
| Jul 17                                                 | 165,055  | 194,616  | 5,603           | 3,184    | 76.0                                   |
| Jul 24                                                 | 176,480  | 180,024  | 5,779           | 3,305    | 74.9                                   |

*Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.*

Source: Board of Trade of Thailand

| Table 4: Weekly private registered rice export sales |           |                         |                             |
|------------------------------------------------------|-----------|-------------------------|-----------------------------|
| Movement (MT)                                        | July 4-8  | July 11-15<br>(Revised) | July 18-22<br>(Preliminary) |
| Weekly sales                                         | 151,993   | 194,006                 | 99,263                      |
| 4 week sum                                           | 773,946   | 764,653                 | 655,094                     |
| 4 week mov. avg.                                     | 193,487   | 191,163                 | 163,774                     |
| Year-to-date sales                                   | 5,981,865 | 6,175,871               | 6,275,134                   |

End of report.